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Recpt A-11504 + copy 1-Mac
A-11504 2-Mann
A-11504 3-Smith

February 21, 1953

TO: Mr. MacArthur

Attached are the comments I said I would prepare on the Latin American paper. I decided that the most useful thing was to propose specific revisions, and I have done this, including those suggested by Mr. Mann in his memorandum to you of February 21.

I think Mr. Mann's three paragraphs summarizing the present situation and problem in Latin America are extremely good and should be included at the beginning of the paper.

John H. Ferguson

Attachment:

As stated above.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY ZITCHKE DATE 4/7/53
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CC: Mr. Matthews
Mr. Bromley Smith
Mr. Mann

S/P:JHFerguson:mrs

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TOP SECRET - Security Information

DRAFT
S/P:JHFerguson:nrs
February 21, 1953

OBJECTIVES.

1. The objectives of the United States with respect to Latin America are:

a. Hemisphere solidarity in support of our world policies.

b. An orderly political and economic development in Latin America so that the States in the area will be more effective members of the hemisphere system and increasingly important participants in the economic and political affairs of the free world.

COMMENT:

The United States wants the Latin American countries to be more than "effective allies", unless that term is read very broadly.

c. Adequate production of and access to raw materials essential to ~~the~~ United States security.

d. The

d. The safeguarding of the hemisphere, including sea and air approaches, through individual and collective defense measures against external aggression ~~through~~ the development of indigenous military forces and local bases necessary for hemisphere defense.

COMMENT:

This combines part of paragraph e and defers for a separate paragraph measures against internal communist subversion.

e. Support of U.N. collective action in defense of other areas of the free world.

COMMENT:

This makes more specific the collective action anticipated. The reference to a contribution in general war is unnecessary in view of the language of paragraph d above.

f. Continued recognition of United States leadership in defense planning and the adoption of military standardization along United States lines.

COMMENT:

COMMENT:

This states as the objective the acceptance of continued United States leadership and indicates the long-range purpose of standardization of armaments.

g. The reduction and elimination of the menace of internal communist subversion.

COMMENT:

This merely serves to separate this objective from the objectives of defense against external aggression.

COURSES OF ACTION.

POLITICAL:

2. Promote the further evolution and development of the inter-American system, and make more effective use of it to achieve the objectives of the United States.

COMMENT:

This is merely intended to make the course of action somewhat more precise and understandable.

3. In furtherance of the course of action in 2 above, the United States should:

COMMENT:

COMMENT:

This revision is suggested to avoid a confusion of "policy", "objectives", and "courses of action".

a. Utilize the Organization of American States as a means of achieving our objectives in order to avoid the appearance of unilateral action and to identify our interests with those of the other Latin American states.

COMMENT:

Again this is intended to provide more precision.

b. Consult with the Latin American states, whenever possible, before taking actions which either affect them or for which we wish their support, explaining as fully as security permits the reasons for our decisions and actions.

COMMENT:

This is an important point and one which we can undertake without the expenditure of money and perhaps with maximum effectiveness. It is therefore spelled out a little more clearly.

c. Evidence

c. Evidence greater consideration of Latin American problems at the highest levels of Government by according sympathetic attention to representatives of Latin America, by exercising care in public statements relating to Latin America and through such methods as visits by high Government officials to Latin American states.

COMMENT:

The comment under b is applicable here also.

d. Delete.

COMMENT:

This is a fairly meaningless formulation and seems to be adequately dealt with by the revised language of b.

e. Refrain from unilateral intervention in the internal political affairs of the other American states. This does not preclude multilateral action through the inter-American system or unilateral action if necessary to protect overriding United States security interests in the maintenance of Latin America as part of the free world.

COMMENT:

COMMENT:

The addition of the last phrase is to indicate the kind of situation in which unilateral action might be required.

f. In determining the extent of United States assistance and support to Latin America, take into consideration the willingness of individual American states to cooperate with the United States in achieving common objectives.

COMMENT:

This revision is designed largely to indicate this is only one of the considerations.

g. Assist through the Organization of American States or such other means as may be available those American states which are resisting pressures from their neighbors, when such pressures are inimical to the American system and United States interests.

COMMENT:

This revision broadens the concept of this kind of assistance and ties it to United States interests directly.

h. Encourage

h. Encourage through consultation, assistance, and other available means an orderly evolution, in the long term, toward responsible representative government in the Latin American states.

COMMENT:

This revision is merely an effort to be a little more down to earth.

i. Encourage through consultation, assistance and other available means individual or collective action by the Latin American governments against internal subversive activities by communist and other externally controlled elements. Again the effort is to clarify and bring the statement down to earth.

j. Encourage the development of the Regional Inter-American Organization of Workers* and the development of responsible democratic labor leadership in Latin American countries capable of taking

* Organizacion Regional Inter-americano de Trabajadores (ORIT)

taking the initiative away from communist and Peronista inter-American labor federations.

ECONOMIC

4. The United States should facilitate the achievement of its general objectives, and support the role of United States private capital in the development of Latin American economies, by:

COMMENT:

This broadens the basis of the economic courses of action beyond mere support for private capital.

a. No change.

b. No change.

c. Continuing the present level and, where appropriate, accelerating or increasing the lending programs of the Export-Import Bank and the International Bank as a supplement to foreign private investment.

COMMENT:

This revision is made to indicate that no dramatic increases in public lending are contemplated.

d. Encouraging trade with Latin America by insisting on non-discriminatory treatment by Latin American Governments and resisting domestic

domestic pressures for action which would make it more difficult for Latin American countries to sell their products to us.

COMMENT:

This paragraph is proposed for insertion by ARA and S/P concurs.

5. The United States should continue the program of technical assistance to the area, designing individual projects to promote United States objectives and to initiate development that is within the capability of the particular countries to carry forward.

COMMENT:

Technical assistance programs that do not reflect the limitations of the resources of the particular countries merely ~~extend~~ raise false hopes and make the eventual disappointment greater.

6. The United States should continue a limited economic assistance program to Latin America, including such projects as the Inter-American Highway and the Nama Road.

COMMENT:

This paragraph is proposed for insertion by ARA.

7. The

7. The United States should negotiate, where appropriate, Treaties of Friendship, Commerce and Economic Development.

COMMENT:

This was previously paragraph 6.

INFORMATION AND RELATED ACTIVITIES

8. Same.

a. Same.

b. Same.

c. Establishing an identity of our interests with theirs, especially in the context of hemisphere solidarity.

COMMENT:

This change is suggested to clarify and focus the problem.

d. Same.

9. Same.

MILITARY

10. The United States should encourage acceptance of the concept that each of the Latin American States is responsible for making a contribution to maximize:

a. The

a. The internal security of its own territory.

b. The defense of its own territory and of the hemisphere, including land communications, coastal waters, posts and approaches thereto, bases located within its area of responsibility and air lines of communication associated therewith.

COMMENT:

The reference to European nations seems out of place and has been deleted. The "maximum contribution" has been changed to "a contribution to maximize" in order to avoid the possibility of each American State seeking United States assistance for excessive defense forces.

10 11. In support of the course of action in paragraph 9, the United States should provide military assistance to Latin America pursuant to the agreed plans and programs of the Inter-American Defense Board. United States military assistance should be designed to reduce to a minimum the diversion of U.S. forces for the maintenance of hemisphere security. In determining the type of military assistance to be provided each nation, consideration should be given to the type of military threat to which it is exposed and its role in hemisphere defense.

COMMENT:

COMMENT:

This revision is intended to tie our assistance to the plans and programs approved by U.S. military authorities and put forward through the Inter-American Defense Board. The U.S. does not base its military assistance to Latin America on the assumption that forces have to be developed there to repel external invasion. The part of paragraph 10 relating to forces for use outside the hemisphere has been made a separate paragraph 11a below.

10 11a. Additional U.S. military assistance will be required to the extent that the Latin American States are asked to provide forces for use outside the hemisphere in support of other free world collective actions.

COMMENT:

This is a separate problem which should be separated from hemisphere defense.

11 12. The U.S. should assume primary responsibility for military operations in the Atlantic and Pacific Oceans and the Caribbean Sea, including sea and air approaches to the Panama Canal, and should seek from the other American States acceptance of U.S. military leadership and control of the defense of these areas.

COMMENT:

COMMENT:

The last part of the paragraph has been revised to specify the kind of "control" the U.S. is seeking.

12. To the extent that military bases in Latin America are required to further joint defense efforts, the U.S. should guide and assist the Latin American countries in their development and maintenance and seek agreements providing for reciprocal use of such bases, rights for air transit and technical steps, and their availability for common defense purposes. The U.S. should also encourage mutual assistance between Latin American countries required in the development and maintenance of such bases.

COMMENT:

This revision restricts the base problem to those we believe are required for joint defense efforts and clarifies the language somewhat in other respects.

13. While each of the Latin American states should maximize its capability for protecting sources and processing facilities of strategic materials and land transportation related thereto, the U.S., where further protection is required, should be prepared to assist the countries concerned. However, each of the Latin American countries

countries should organize its own civil defense.

COMMENT:

This revision ties the obligations we wish the individual countries to assume into the question of our assistance.

14. In providing military aid and seeking military commitments the U.S. should not encourage Latin American nations to contribute to the military effort to an extent which would jeopardize their economic stability.

COMMENT:

ARA has suggested the delation of the remaining portion of paragraph 14 and S/P concurs. To leave the language in would create inflexibility in U.S. policy and might specifically prevent assistance in certain cases considered essential by us.

15. In addition the U.S. should:

a. Same.

b. Same.

c. Same.

d. Delete.

COMMENT:

This point would appear to be adequately covered by paragraphs 9, 12, and 13.

e. Delete.

e. Delete.

COMMENT:

This point would seem to be adequately covered by the revised paragraph 10a.

f. Same.

SELECTED COUNTRIES.

16. The U.S. should continue to:

a. Same.

b. Same.

FINANCIAL.

17. ARA has suggested the deletion of paragraph 17 and the staff assistance alternative to it. It is the view of S/P that it might be desirable in this paper to indicate the general size of the dollar cost of carrying out the proposed courses of action, but that the amounts involved are not great enough to cause any great budgetary difficulty.

S/P:JBFerguson:nrs
February 21, 1953